

III. Organizations

1. The affairs of the Company shall be managed by a Board of Directors composed of five persons.

a. The Board members shall be appointed, and may be reappointed, by the Council. A certificate of the Secretary of the Council as to the appointment or reappointment of any director shall be conclusive evidence of the due and proper appointment of the director.

b. The term of office shall be four years and staggered. When the Board is first established one member's term shall be designated to expire in one year, another to expire in two years, a third to expire in three years, and the last two in four years. Thereafter, all appointments shall be for four years, except that in the case of a prior vacancy, an appointment shall be only for the length of the unexpired term. Each member of the Board shall hold office until his successor has been appointed and has qualified.

c. The Council shall name one of the Board members as President of the Board. The Board shall elect from among its members a Vice-President, a Secretary, and a Treasurer; and any member may hold two of these positions. In the absence of the President, the Vice-President shall preside; and in the absence of both the President and Vice-President, the Secretary shall preside.

d. The Council may remove any member of the Board for cause.

e. The Directors shall not receive compensation for their services but shall be entitled to compensation for expenses, including travelling expenses, incurred in the discharge of their duties.

f. Three members of the Board shall constitute a quorum for the transaction of business, notwithstanding the existence of any vacancies.

g. The Secretary shall keep complete and accurate records of all meetings and action taken by the Board.

h. The Treasurer shall keep full and accurate financial records, make periodic reports to the Board and submit a complete annual report, in written form, to the Council as required by Article VI, Section I, of this ordinance. The Treasurer shall be bonded in such amount as is prescribed by the Council or by any agreement to which the Company is a party.

2. The Board shall have authority to exercise, by majority vote of those present and voting, any and all powers delegated to the Company by this ordinance or any amendments thereto, except as provided in Article V, for the adoption of bond resolutions.

3. Meetings of the Board shall be held at regular intervals as provided in the by-laws. Emergency meetings may be held upon 24 hours actual notice and business transacted, provided that three or more members concur in the proposed action.

IV. Powers

1. The Company shall have perpetual succession in its corporate name.

2. The Company shall have the following powers which it may exercise consistent with the purposes for which it is established;

a. The Council hereby gives its irrevocable consent to allowing the Company to sue and be sued in its corporate name, upon any contract, claim or obligation arising out of its activities under this ordinance and hereby authorizes the Company to agree by contract to waive any immunity from suit which it might otherwise have; but the Tribe shall not be liable for the Debts or obligations of the Company, except insofar as expressly authorized by this ordinance.

b. To adopt and use a corporate seal.

c. To enter into agreements, contracts and understandings with

any governmental agency, Federal, State or local (including the Council) or with any person, partnership, corporation or Indian tribe; and to agree to any conditions attached to Federal financial assistance. Notwithstanding anything to the contrary contained in this ordinance or in any other provision of law, to agree to any conditions attached to Federal financial assistance relating to the determination of prevailing salaries or wages or payment of not less than prevailing salaries or wages or compliance with labor standards, in the development or administration of projects, and to include in any contract let in connection with a project, stipulations requiring that the contractor and any subcontractors comply with requirements as to minimum salaries or wages and maximum hours of labor, and comply with any conditions which the Federal government may have attached to its financial aid of the project. In any contract with the Federal government the Company may obligate itself to convey to the Federal government possession of or title to the project to which such contract relates, upon the occurrence of a substantial default (as defined in such contract) with respect to the covenant or conditions to which the Company is subject; and such contract may further provide that in case of such conveyance, the Federal government may complete, operate, manage, lease, convey or otherwise deal with the project and funds in accordance with the terms of such contract; Provided, That the contract requires that, as soon as practicable after the Federal government is satisfied that all defaults with respect to the project have been cured and that the project will thereafter be operated in accordance with the terms of the contract, the Federal government shall reconvey to the Company the project as then constituted. It is the purpose and intent of this ordinance to authorize the Company to do any and all things

any such event, shall immediately disclose his interest in writing to the Company and such disclosure shall be entered upon the minutes of the Company, and the officer or employee shall not participate in any action by the Company relating to the property or contract in which he has any such interest. Any violation of the foregoing provisions of this section shall constitute misconduct in office. This section shall not be applicable to the acquisition of any interest in notes or bonds of the Company issued in connection with any project, or to the execution or agreements by banking institutions for the deposit or handling of funds in connection with a project or to act as trustee under any trust indenture, or to utility services the rates for which are fixed or controlled by a governmental agency.

3. All projects of the Company shall be subject to the planning, zoning, sanitary and building regulations applicable to the locality in which the planned project is situated.

4. The property of the Company is declared to be public property used for essential public and governmental purposes and such property and the Company are exempt from all taxes and special assessments of the Tribe.

5. All property including funds acquired or held by the Company pursuant to this ordinance shall be exempt from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall any judgment against the Company be charged or lien upon such property: Provided, however, That the provisions of this section shall not apply to or limit the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by the Company on its rents, fees or

necessary or desirable to secure the financial aid or cooperation of the Federal government in the undertaking, construction, maintenance or operation of any project by the Company.

d. To lease property from the Tribe and others for such periods as are authorized by law, and to hold and manage or to sublease the same.

e. To borrow money, to issue temporary or longterm evidence of indebtedness; and to repay the same. Corporate bonds shall be issued and repaid in accordance with the provisions of Section VI of this ordinance.

f. To pledge the assets and receipts of the Company as security for debts; and to acquire, sell, lease, exchange, transfer or assign personal property or interests therein.

g. To purchase land or interests in land or take the same by gift; to lease land or interests in land to the extent provided by law.

h. To undertake and carry out studies and analysis of the Telephone needs on the Reservation, to prepare Telephone and Telegraph plans, to execute the same, to operate projects and to provide for the construction, reconstruction, improvement, extension, alteration or repair of any project or any part thereof.

i. To lease or rent any dwellings, accommodations, lands, buildings or facilities embraced within any project; to establish and revise rents; and to make rules and regulations concerning the occupancy, rental, care and management of its properties and affairs. Such rules and regulations may establish priorities for the admission of users or subscribers, and provide for the discontinuance thereof for failure to pay rent, for failure to comply with rules and regulations, or for failure to conform to adopted rules and regulations.

j. To purchase insurance in any stock or mutual company for any

property or against any risks or hazards.

k. To invest such funds as are not required for immediate disbursement.

l. To establish and maintain such bank accounts as may be necessary or convenient.

m. To employ an executive director or manager, technical and maintenance personnel and such other officers and employees, permanent or temporary, as it may require; and to delegate to such officers and employees such powers or duties as the Board shall deem proper.

n. To take such further actions as are commonly engaged in by corporate bodies of this character as the Board may deem necessary and desirable to effectuate the purposes of the Company.

o. To adopt such by-laws as the Board deems necessary and appropriate.

3. No ordinance or other enactment of the Tribe with respect to the acquisition, operation, or disposition of Tribal property shall be applicable to the Company in its operations pursuant to this ordinance unless the Council shall specifically so state.

V. Bonds

1. The Company may issue bonds from time to time in its discretion for any of its corporate purposes and may also issue refunding bonds for the purpose of paying or retiring bonds previously issued by it. The Company may issue such types of bonds as it may determine, including bonds on which the principal and interest are payable; (a) exclusively from the income and revenues of the project financed with the proceeds of such bonds, or with such income and revenues together

with a grant from the Federal government in aid of such project;
(b) exclusively from the income and revenues of certain designated projects whether or not they were financed in whole or in part with the proceeds of such bonds; or (c) from its revenues generally. Any of such bonds may be additionally secured by a pledge of any revenues of any project, projects or other property of the Company.

2. Neither the Board or President of the Company nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof.

3. The bonds and other obligations of the Company shall not be a debt of the Tribe and the bonds and obligations shall so state on their face.

4. Bonds or Notes of the Company shall be issued and sold in the following manner:

a. Bonds or Notes of the Company shall be authorized by a resolution adopted by the vote of an absolute majority of the Board and may be issued in one or more series.

b. The Bonds or Notes shall bear such dates, mature at such times, bear interest at such rates, be in such denominations, be in such form, either coupon or registered, carry such comparison or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payments, at such places and be subject to such terms of redemption, with or without premium, as such resolution may provide.

c. The Bonds or Notes may be sold at public or private sale at not less than par.

d. In case any of the Board members of the Company whose signatures appear on any bonds or coupons cease to be Board members

before the delivery of such bonds, the signature shall, nevertheless, be valid and sufficient for all purposes, the same as if the member had remained in office until delivery.

5. Bonds of the Company shall be fully negotiable. In any suit, action or proceedings involving the validity or enforcement of any bond of the Company or the security therefor, any such bond reciting in substance that it has been issued by the Company pursuant to this ordinance shall be conclusively deemed to have been issued for such purpose and the project for which such bond was issued shall be conclusively deemed to have been planned, located and carried out in accordance with the purposes and provisions of this ordinance.

6. In connection with the issuance of bonds or incurring of obligations under leases and in order to secure the payment of such bonds or obligations, the Company, subject to the limitations in this ordinance, may:

a. Pledge all or any part of its gross or net rents, fees or revenues to which its right then exists or may thereafter come into existence.

b. Provide for the powers and duties obligees and limit their liabilities; and provide the terms and conditions on which such obligees may enforce any covenant or rights securing or relating to the bonds.

c. Covenant against pledging all or any part of its rents, fees and revenues or against mortgaging any or all of its real or personal property to which its title or right then exists or may thereafter come into existence or permitting or suffering any lien on such revenues or property.

d. Covenant with respect to limitations on its right to sell,

and conditions upon which any or alloof its bonds or obligations become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived.

p. Vest in any obligees or any proportion of them the right to enforce the payment of the bonds or any covenants securing or relating to the bonds.

q. Exercise all or any part or combination of the powers granted in this section.

r. Make covenants other than and in addition to the covenants expressly authorized in this section, of like or different character.

s. Make any covenants and do any acts and things necessary or convenient or desirable in order to secure its bonds, or, in the absolute descretion of the Company tending to make the bonds more marketable although the covenants acts or things are not enumerated in this section.

VI. Miscellaneous

1. The Company shall submit a detailed annual report, signed by the President of the Board, to the Council showing such information as the Company or the Council shall deem pertinent.

2. During this tenure and for one year thereafter, no officer or employee of the Company shall voluntarily acquire any interest, direct or indirect in any project or in any property included or planned to be included in any peoject, or in any contract or proposed contract relating to any project. If any such officer or employee involuntarily acquires any such interest, or voluntarily or involuntarily acquired such interest prior to appointment or employment as an officer or employee, the officer or employee, in

revenues or the right of the Federal government to pursue any remedies conferred upon it pursuant to the provisions of this ordinance.

VII. Cooperation in Connection with Projects

1. For the purpose of aiding and cooperating in the planning, undertaking, construction or operation of projects, the Cheyenne River Sioux Tribe agrees that;

a. It will not levy or impose any real or personal property taxes or special assessments upon the Company or any project.

b. It will furnish or cause to be furnished to the Company and the tenants of projects all services and facilities of the same character and to the same extent as the Tribe furnishes from time to time without cost or charge to other inhabitants on the Reservation.

c. Insofar as it may lawfully do so, it will grant such deviations from any present or future building code of the Tribe as are reasonable and necessary to promote economy and efficiency in the development and administration of any project, and at the same time safeguard health and safety, and make such changes in any zoning of the site and surrounding territory of any project as are reasonable and necessary for the development and protection of such project and the surrounding territory.

d. It will do any and all things, within its lawful powers, necessary or convenient to aid and cooperate in the planning, undertaking, construction or operation of projects.

e. It will join in any disposition of project property or interest therein by the Company and make assignments or other appropriate disposition of the underlying land as permitted by law, where such action is required in order to grant the maximum interest therein permitted by law.

f. This section will not be abrogated, changed, or modified without the consent of the United States government.

2. The provisions of paragraph 1 of this section shall remain in effect with respect to any project so long as the project is wither (i) owned by a public body or governmental agency, (ii) any contract between the Company and the United States government for loans or annual contributions or both, in connection with such project remains in force and effect, or (iii) any bonds issued in connection with such project or any monies due to the United States government in connection with such project remain unpaid, whichever period is the longest. If at any time title to, or possession of, any project is held by any public body or governmental agency authorized by law to engage in the development or administration of the Company, including the Federal government, the provisions of this section shall inure to the benefit of and be enforced by such public body or governmental agency.

VIII. Approval by Secretary of the Interior

With respect to any financial assistance contract between the Company and the Federal government, the Company shall obtain the approval of the Secretary of the Interior or his designee.

CERTIFICATION

I, the undersigned, Secretary of the Cheyenne River Sioux Tribal Council, hereby certify that the Cheyenne River Sioux Tribal Council is composed of 15 members of whom 12, constituting a quorum, were present at a meeting of the Tribal Council duly and regularly called and convened on this 10th day of September, 1974; and that the foregoing Ordinance was duly adopted at such meeting by a vote of 11 for, 1 not voting (Vice-Chairman), 0 against, and 3 absent.

(s) Hazel Garreaux
Secretary of the Cheyenne
River Sioux Tribe

SEAL

RECOMMENDATIONS FOR:

1. Transfer of Net Earnings

Within 30 days after the close of its fiscal year, the net earnings of the Company for each year, shall be transferred to the Tribal Council for deposit to the credit of the Tribe. For purposes of this section, net earnings shall be the sum remaining after all debts due and owing have been paid and a reserve established (a) for payment of amortized indebtedness, (b) for depreciation, (c) for operating expenses and (d) for contingencies.

2. Amendments

Repeal or amendment of these by-laws shall become effective upon adoption of a resolution (a) approved in writing by a two-thirds majority vote of the board of directors at a meeting noticed for that purpose, (b) approved by a resolution of the Tribal Council, and (c) approved by the Secretary of the Interior or his authorized representative.

DUTIES AND AUTHORITIES OF CHEYENNE RIVER SIOUX TRIBE TELEPHONE

AUTHORITIES

The Board will have all those duties and authorities as set out
in Tribal Ordinance No. 24, approved on September 10, 1974.

lease or otherwise dispose of any project or any part thereof.

e. Covenant as to what other additional debts or obligations may be incurred by it.

f. Covenant as to the bonds to be issued and as to the issuance of and disposition of the proceeds thereof.

g. Provide for the replacement of lost, destroyed or mutilated bonds.

h. Covenant against extending the time for the payment of its bonds or interest thereon.

i. Redeem the bonds and covenant for their redemption and provide the terms and conditions thereof.

j. Covenant concerning the rents and fees to be charged in the operation of a project or projects, the amount to be raised each year or other period of time by rents, fees and other revenues, and as to the use and disposition to be made thereof.

k. Create or authorize the creation of special funds for moneys held for construction or operating costs, debt service, reserves or other purposes, and covenant as to the use and disposition of the moneys held in such funds.

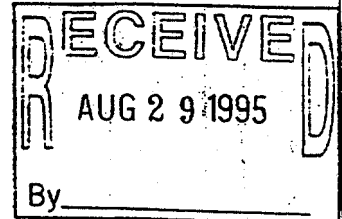
l. Prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the proportion of outstanding bonds the holders of which must consent thereto, and the manner in which such consent may be given.

m. Covenant as to the use, maintenance and replacement of its real or personal property, the insurance to be carried thereon and the use and disposition of insurance moneys.

n. Covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenant or obligation.

o. Covenant and prescribe as to events of default and terms

1 THE PUBLIC UTILITIES COMMISSION
2 OF THE STATE OF SOUTH DAKOTA
3



4 IN THE MATTER OF THE SALE OF)
5 CERTAIN TELEPHONE EXCHANGES BY)
6 U.S. WEST COMMUNICATIONS, INC.,)
7 TO CERTAIN TELECOMMUNICATIONS)
8 COMPANIES IN SOUTH DAKOTA.)
9

VOLUME I

10 HEARD BEFORE THE PUBLIC UTILITIES COMMISSION

11 PROCEEDINGS:

Monday, April 17, 1995
8:00 P.M.
Mobridge, South Dakota

12 PUC COMMISSION:

13 Mr. Ken Stofferahn, Chairman
14 Mr. Jim Burg
15 Ms. Laska Schoenfelder
16 Mr. Bob Knadle
17 Ms. Rolayne Ailts Wiest

18 ALSO PRESENT:

19 Mr. Harlan Best
20 Mr. Charlie Bolle
21 Ms. Paulette Gates

22 APPEARANCES:

23 Mr. Thomas Welk, U.S. West
24 Mr. Camron Hoseck, Staff Attorney
25 Mr. Steve Aberlee, Intervenor D. Scott
26 Mr. Brian Meyer, Selby and West River
27 Mr. Thomas Hertz, Baltic Telecom and Dakota Cooperative
28 Mr. C. Edward Watson and Mr. Loren Hiatt, ATT
29 Mr. Dan Todd, Intervenor Walworth County
30 Mr. Randall L. Macy, Bison and West River
31 Mr. Andrew Fergel, Intervenor Corson County
32 Ms. Rochelle Ducheneaux, CRST

1 THE CHAIRMAN: Thank you. Miss Ducheneaux, do
2 you have any questions?

3 MS. DUCHENEAUX: No.

4 THE CHAIRMAN: Mr. Hoshek?

5 MR. HOSHEK: No.

6 THE CHAIRMAN: Commissioners?

7 MS. SCHOENFELDER: Mr. Henderson, I just would
8 reiterate that you furnish to the jurisdiction what -- how
9 much gross receipts tax you will be paying as soon as you
10 possibly could and, obviously, before the hearing, if that's
11 possible, please.

12 THE WITNESS: Yes.

13 THE CHAIRMAN: Do any of the intervenors have
14 any witnesses that they would like to sponsor involving the
15 exchanges of the McIntosh? Is there now anyone from the
16 public that wishes -- from the McIntosh Exchange that wishes
17 to make a statement? Anyone from the Lemmon Exchange wish
18 to make a statement for the record? If not, we'll go on.
19 Next on the list.

20 Next we'll take the Cheyenne River Sioux Tribe
21 Telephone Authority.

22 J.D. WILLIAMS,
23 called as a witness, being first duly sworn,
24 was examined and testified as follows:

25 DIRECT EXAMINATION

1 BY MS. DUCHENEAUX:

2 Q Would you please state your name for the record.

3 A My name is J. D. Williams.

4 Q What is your place of employment?

5 A I work as general manager with CRST Telephone
6 Authority in Eagle Butte, South Dakota.

7 Q That is your position, general manager?

8 A Correct. I've worked as general manager for CRST
9 Telephone since 1986 and previously worked as an employee
10 there since 1982.

11 Q And what is your background?

12 A My background is bachelor of science degree in
13 business administration in Black Hills State College. I've
14 taught high school for a year, four years of employment with
15 the Cheyenne River Sioux Tribe and became employed prior to
16 the telephone authority in 1982.

17 Q What is the purpose of your testimony here tonight?

18 A The purpose of my testimony here is to provide facts
19 to PUC with background information on Owl River Telephone
20 that should assist the PUC in reaching a decision concerning
21 the purchase of three exchanges, and those exchanges are
22 Nisland, Morristown, and Timber Lake; and, hopefully, the
23 factual information will assist the PUC to reach a federal
24 decision on the sale of the exchanges to CRST Telephone
25 Authority.

1 Q Would you like to provide the Commission and the
2 people here a little bit of background about Owl River
3 Telephone Corporation and the Cheyenne River Sioux Tribe
4 Telephone Authority?

5 A Yes, I would. Owl River Telephone, Inc., is a
6 tribally-charted corporation. It was created by the parent
7 company of Cheyenne River Sioux Tribe Telephone Authority to
8 administer and manage these new exchanges. The Cheyenne
9 River Telephone Authority is a division owned by the
10 Cheyenne Sioux River Sioux Tribe. It was created in 1958
11 when the tribe purchased the West River Telephone Company
12 from 1958 to 1976.

13 Through that period of time our telephone
14 company purchased locally-owned telephone systems
15 which were all served by an aerial line plant and
16 LIECH Switch.

17 And in 1976 our tribal chairman was successful
18 in securing a loan from the Rural Electrification
19 Administration. This loan was used to install
20 underground copper plant across the reservation which at
21 that time provided single party service to all subscribers
22 and in Dewey and Ziebach Counties, which was the entire
23 Cheyenne River Sioux Reservation. Five exchanges were
24 established at that time, and those being Eagle Butte,
25 Isabel, Dupree, South Dupree and LaPlant.

1 In 1977 a new headquarter buildings were
 2 instructed in Eagle Butte, which is the largest community on
 3 the reservation and considered its trade center of the area.
 4 All of the tribal and Bureau of Indian Affairs and ISTD
 5 services, all tribal offices are located in Eagle Butte.

6 Throughout the 1980's Eagle Butte and the
 7 surrounding communities grew significantly. Indeed, in 1994
 8 Eagle Butte was designated as the third fastest growing city
 9 in South Dakota. To accommodate this growth, the telephone
 10 authority put an additional plant, and today the system
 11 serves 2,501 subscribers in a 4,600 area mile area. In 1987
 12 all offices were converted to digital switches. At that
 13 time 42 miles of fiberoptic cable was plowed in to handle
 14 toll traffic. And from 1980 through 1990 the telephone
 15 authority replaced almost all of our plant with digital PCM
 16 carrier.

17 The telephone authority has continued the plant
 18 modernization into the 1990's. In 1993 the company became a
 19 member of the South Dakota network and in 1994 installed 44
 20 additional miles of fiberoptic cable to join the all
 21 fiber network facility. This at that time allowed our
 22 customers to enjoy the benefits of equal access
 23 conversion. That same year the company constructed an
 24 addition to the main office building to accommodate growth
 25 of the company.

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1 P.C., of Bismarck, North Dakota. For cost operations we
2 employ DAL Systems, Federal Way, Washington. Since 1985 our
3 annual audit has been performed by Johnson, Stone &
4 Pagano, Tacoma, Washington. As do most independent
5 telephone companies, to maximize company resources and
6 assets, the telephone authority employs industry consultants
7 to provide needed professional services.

8 Q Thank you. Under what type of business structure
9 does the telephone authority operate?

10 A The telephone authority is a commercial company
11 owned by the Cheyenne River Sioux Tribe. The company's
12 stock is held by the tribe. Until recently, the telephone
13 authority was the only tribal telecommunications in the
14 United States, and that has recently changed.

15 Q Who is responsible for the company's operation?

16 A The telephone authority is a division of the
17 Cheyenne River Sioux Tribe. It was traded under tribal
18 ordinance Number 24. The Cheyenne River Sioux Tribal
19 Council appointed six individuals to the board of directors
20 to serve four year staggered terms. The six individuals are
21 nominated from the six voting districts on the reservation.

22 Under ordinance Number 24 the board of —
23 directors employees a general manager, who in turn hires the
24 company's staff. The board chairman of the organization has
25 served fifteen years. Other board members have many years

1 of board experience, for example, in education and church
2 boards. Of the current board of directors have actively
3 participated in formulating telecommunications for the
4 company. The board sets policy which in turn is
5 implemented by company staff.

6 Q As a tribally-owned company, did the telephone
7 company come under the jurisdiction of the South Dakota
8 Public utilities Commission?

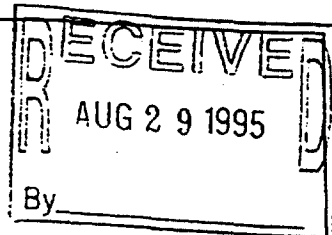
9 A The PUC has no jurisdiction over the telephone
10 authority because it is a tribally-owned entity located
11 within the boundaries of the Cheyenne River Sue Reservation.
12 The PUC's jurisdiction ends at the reservation
13 boundary.

14 Q Does the telephone authority pay gross receipts
15 sales tax on its gross sales as other telephone
16 cooperatives do?

17 A As a tribal business, the telephone authority did
18 not pay gross receipts sales tax. The state has no
19 jurisdiction to impose taxes on tribal businesses located
20 within the exterior boundaries of the reservation.

21 Q Since the PUC has no authority to regulate the
22 telephone authority, how does a subscriber service in
23 your area resolve service or rate problems?

24 A PUC records will verify that the telephone authority
25 has satisfactorily resolved all complaints which have been



THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE SALE OF
CERTAIN TELEPHONE EXCHANGES BY
U.S. WEST COMMUNICATIONS, INC.,
TO CERTAIN TELECOMMUNICATIONS
COMPANIES IN SOUTH DAKOTA.

VOLUME II

HEARD BEFORE THE PUBLIC UTILITIES COMMISSION

PROCEEDINGS:

Monday, April 17, 1995
8:00 P.M.
Mobridge, South Dakota

PUC COMMISSION:

Mr. Ken Stofferahn, Chairman
Mr. Jim Burg
Ms. Laska Schoenfelder
Mr. Bob Knadle
Ms. Rolayne Ailts Wiest

ALSO PRESENT:

Mr. Harlan Best
Mr. Charlie Bolle
Ms. Paulette Gates

APPEARANCES:

Mr. Thomas Welk, U.S. West
Mr. Camron Hoseck, Staff Attorney
Mr. Steve Aberlee, Intervenor D. Scott
Mr. Brian Meyer, Selby and West River
Mr. Thomas Hertz, Baltic Telecom and Dakota Cooperative
Mr. C. Edward Watson and Mr. Loren Hiatt, ATT
Mr. Dan Todd, Intervenor Walworth County
Mr. Randall L. Macy, Bison and West River
Mr. Andrew Fergel, Intervenor Corson County
Ms. Rochelle Ducheneaux, CRST

1 made to the PUC concerning the service and rate
2 problems in our service rate. The telephone authority
3 provides a public utility service and acknowledges and
4 addresses all customer problems.

5 With respect to rate regulation, the PUC did
6 not regulate the telephone authority rates. As discussed
7 above, the PUC has no jurisdiction over the telephone
8 authority because the tribal business is located within the
9 exterior boundaries of the reservation.

10 The telephone authority is proud of the fact
11 that over the last 20 years it has implementedis only
12 one rate increase for local service. Because we are located
13 in a sparsely populated rural area, and because of the
14 majority of the people in our area are among the poorest and
15 the highest employed in the country, we have worked hard to
16 maintain a telephone service to as many people as possible
17 while still remaining competitive and profit-making. We
18 have done so by keeping our rates down and our service up to
19 date.

20 Q Does the telephone authority have the capability for
21 providing public safety services?

22 A The telephone authority offers free firebar service
23 to all its service communities. We estimate we have
24 invested over \$20,000 of firebar equipment in the central
25 office. We realize the importance of all volunteer fire